

Article - Local Government

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§1-1420.

- (a) (1) An authority may:
 - (i) issue bonds to pay the cost of acquiring or improving property;
 - (ii) fund or refund the bonds;
 - (iii) purchase bonds with any funds available; and
 - (iv) hold, pledge, cancel, or resell bonds.
- (2) By resolution, an authority may authorize the chair, one of the authority's members, or a committee of the members to determine or provide for any matter relating to bonds that the authority considers appropriate, including:
 - (i) specifying, determining, requiring, and approving matters, documents, and procedures that relate to the authorization, sale, security, issuance, delivery, and payment of and for the bonds;
 - (ii) creating security for the bonds; and
 - (iii) providing for the administration of bond issues.
- (3) The power granted in paragraph (2) of this subsection is in addition to powers conferred on the authority by this subtitle and does not limit any power of the authority under this subtitle.
- (4) Within the limits that the authority sets, the authority may authorize the executive director to take any of the actions described in paragraph (2) of this subsection.
- (b) An authority may issue the bonds at one time or in one or more series.
- (c) For each issue of an authority's bonds, the authority shall pass a resolution that:
 - (1) specifies and describes the project for which the proceeds of the bond issuance are intended;

(2) generally describes the public purpose and the financing transaction to be accomplished;

(3) specifies the maximum principal amount of the bonds that may be issued by the authority; and

(4) imposes any terms or conditions on the issuance and sale of the bonds that the authority considers appropriate.

(d) Subject to any provision for their registration, bonds are negotiable instruments for all purposes regardless of whether they are payable from a special fund.

(e) (1) The bonds may be serial bonds, term bonds, or both.

(2) Subject to any delegation under subsection (a)(2) of this section, the resolution authorizing bonds may provide:

- (i) the dates of the bonds;
- (ii) the maturity dates of the bonds;
- (iii) the interest rates on the bonds;
- (iv) the time at which the bonds will be payable;
- (v) the denominations of the bonds;
- (vi) whether the bonds will be in coupon or registered form;
- (vii) any registration privileges of the bonds;
- (viii) the manner of execution of the bonds;
- (ix) the place at which the bonds will be payable; and
- (x) any terms of redemption of the bonds.

(3) The bonds shall mature within a period not to exceed 50 years after the date of issue.

(4) The bonds shall be payable in United States currency.

(f) An authority shall sell the bonds at competitive or negotiated sale in a manner and for a price the authority determines to be in the authority's best interests.

(g) An officer's signature or facsimile on a bond remains valid if the officer leaves office before the bond is delivered.

(h) Pending preparation of the definitive bonds, an authority may issue interim receipts or certificates that will be exchanged for definitive bonds.

(i) A trust agreement authorizing bonds may contain provisions that are part of the contract with the bondholders, including:

(1) the rates, rentals, fees, and other charges, the amounts to be raised in each year, and the use and disposition of the revenues;

(2) the setting aside of reserves and sinking funds and their disposition;

(3) limits on the right of the authority or the authority's agents to restrict and regulate the use of a project;

(4) limits on the purpose to which the proceeds of the sale of bonds may be applied;

(5) limits on issuing additional bonds and refunding bonds and the terms under which additional bonds may be issued and secured;

(6) the procedure to amend or abrogate the terms of a contract with bondholders and the requirements for consent;

(7) limits on the amount of project revenues to be expended for operating, administrative, or other expenses of the authority;

(8) the acts or omissions that constitute default by the authority and the rights and remedies of the bondholders in a default;

(9) the conveyance or mortgaging of a project and its site to secure the bondholders;

(10) creation and disposition of a collateral fund to secure the bondholders; and

(11) pledging the following to secure payment of bonds, subject to any existing agreements with bondholders:

- (i) the full faith and credit of an authority;
- (ii) revenues of a project;
- (iii) a revenue-producing contract the authority has made with a person or public entity; or
- (iv) the proceeds of the sale of bonds.

(j) The members of an authority and a person executing the bonds may not be held liable personally on the bonds.

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